

COMMONWEALTH BUREAU OF CENSUS AND STATISTICS

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SPECIAL BUSINESS SURVEY NO. 13SURVEY OF SELECTED LARGE PRIVATE PENSION SCHEMES1955-56 TO 1960-61

This Bulletin gives the results of a survey relating to the year 1960-61, of separately constituted private pension funds operated by a small number of large companies or groups of companies. Results of earlier surveys are also included for comparison.

In respect of 1955-56, the Bureau conducted a sample survey of pension and retiring allowance schemes in private businesses subject to pay-roll tax, other than in rural industries. Government airlines and banks were also included where they had established their own funds and did not contribute to the Commonwealth or State superannuation funds, but statutory coal miners' pension funds were excluded. Details were asked for pension and retiring allowance schemes operated through life assurance offices, schemes operated through separately constituted funds, and for direct payments of pensions and retiring allowances.

The results of the 1955-56 survey are available in Finance Bulletin No. 47, Part 1. A detailed analysis of the operations of government and semi-governmental superannuation funds is also available each year in Part 1 of the Finance Bulletin. Since January, 1960 the Monthly Bulletin of Australian Life Assurance Statistics has contained some information on the superannuation business of the ordinary departments of life assurance offices.

A sample survey of pension and retiring allowance schemes in respect of 1960-61, similar in scope to the sample survey of 1955-56, is at present being conducted by the Bureau. Preliminary totals from this survey are expected to be published shortly and the full results later this year.

In the three years 1956-57 to 1958-59 information was collected from a selected group of the larger funds, and a tabulation of returns for the 1960-61 survey has been made for these same funds. The private pension funds included in this tabulation of selected large funds would have accounted, in 1955-56, for about 30 per cent. of the income and outlay of the funds covered by the more comprehensive sample survey and about 35 per cent. of the total assets. Since the survey of selected larger funds is not a representative sample it is not yet known to what extent their share of the whole field has changed since the 1955-56 survey; nor is the pattern of income and expenditure and the percentage asset distribution of the selected larger funds necessarily representative of the whole field.

Income and Expenditure of Private Pension Funds.

Table 1 shows the income and expenditure of the selected pension funds between 1955-56 and 1960-61, and the corresponding totals for the larger survey for 1955-56.

The 1960-61 results show a 30% rise in the income and a 29% increase in the expenditure of the selected funds in the two years since 1958-59. The largest absolute and relative increase in the items of income occurred in employer contributions (up £1.7 million or 41%), in contrast to earlier years, when interest, rent and dividends was rising faster than contributions by either employers or employees.

Assets of Private Pension Funds.

Table 2 shows the composition of the assets in Australia (at book value) of the selected funds at the end of the financial years 1955-56 to 1960-61, and the corresponding totals for the sample survey for 1955-56. A percentage distribution of the assets of these funds is given in Table 3.

The trends noted in previous years in the asset holdings of the selected funds have continued over the latest two years. Company shares and debentures (£54.9 million) continued to rise both in absolute amount and as a proportion of total assets, and in June, 1961, accounted for 52% of assets, compared with 47% in June, 1959, and only 34% in June, 1956. Holdings of Commonwealth bonds (£7.9 million) again fell, both absolutely and relatively, to 8% of total assets in June, 1961, compared with 10% in June, 1959, and 19% in June, 1956. As in previous years, local and semi-government securities (£27.0 million) increased in amount but declined as a proportion of total assets between June, 1959, and June, 1961.



TABLE 1. - INCOME AND EXPENDITURE OF PRIVATE PENSION FUNDS

(£m.)

	Estimated Total 1955-56 Survey (a)	Selected Large Funds				
		1955-56	1956-57	1957-58	1958-59	1960-61
<u>Income</u>						
Contributions - employees	5.8	2.2	2.4	2.7	2.8	3.3
employers	13.2	3.7	4.0	4.0	4.1	5.8
Interest, rent and dividends	6.8	2.6	3.1	3.7	4.2	5.4
Other Income (b)	0.7	0.1	0.1	0.8	0.7	0.8
<u>TOTAL:</u>	26.5	8.6	9.6	11.2	11.8	15.3
<u>Expenditure</u>						
Pensions, retiring allowances and refunds	5.9	1.9	(d)	(d)	3.0	3.8
Other outlay (c)	1.1	..	(d)	(d)	0.1	0.2
<u>TOTAL:</u>	7.0	1.9	2.4	2.6	3.1	4.0
<u>Increase in fund</u>	19.5	6.7	7.2	8.6	8.7	11.3

(a) See second paragraph of text for description of coverage. Figures in these tables exclude schemes operated through life assurance offices.

(b) Includes profit on sale or revaluation of assets.

(c) Includes loss on sale or revaluation of assets.

(d) Not available separately.

TABLE 2. - ASSETS OF PRIVATE PENSION FUNDS

(£m. at book values)

	Estimated Total 1955-56 Survey (a)	Selected Large Funds				
		June, 1956	June, 1957	June, 1958	June, 1959	June, 1961
Cash and bank balances	13.0	2.8	2.6	2.6	2.5	3.0
Commonwealth bonds	51.3	11.9	11.9	11.2	8.9	7.9
Local and semi-govt. securities	41.9	18.7	21.2	24.0	24.7	27.0
Loans on mortgage	11.7	6.9	7.7	8.0	8.6	11.4
Company shares and debentures	39.4	20.8	24.8	30.9	40.4	54.9
Other assets (net)	11.0	0.2	0.3	0.4	0.7	0.5
<u>TOTAL:</u>	168.3	61.3	68.5	77.1	85.8	104.7

(a) See note (a) to Table 1.

TABLE 3. - ASSETS OF PRIVATE PENSION FUNDS

(Percentage distribution)

	1955-56 Survey (a) June, 1956	Selected Large Funds				
		June, 1956	June, 1957	June, 1958	June, 1959	June, 1961
	%	%	%	%	%	%
Cash and bank balances	8	5	4	3	3	3
Commonwealth bonds	30	19	17	15	10	8
Local and semi-govt. securities	25	31	31	31	29	26
Loans on mortgage	7	11	11	10	10	11
Company shares and debentures	23	34	37	40	47	52
Other assets (net)	7	1	1	..
<u>TOTAL:</u>	100	100	100	100	100	100

(a) See note (a) to Table 1.

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CANBERRA. A.C.T.

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J.P. O'NEILL
ACTING COMMONWEALTH STATISTICIAN

NOTE: - Inquiries concerning these statistics can be made in Canberra by telephoning U0413 Extension 334 or, in State Capitals, by telephoning the offices of the Deputy Commonwealth Statisticians.